



FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[Docket No. FD 35598]

Eastern Maine Railway Company—Assignment of Trackage Rights Exemption—
Montreal, Maine & Atlantic Railway, Ltd. and Maine Northern Railway Company

Pursuant to a written agreement, Montreal, Maine & Atlantic Railway, Ltd. (MMA) has agreed to assign its overhead trackage rights to the Eastern Maine Railway Company (EMR) over approximately 151 miles of rail line owned by the State of Maine (State) extending between milepost 109 near Millinocket, Me., and milepost 260 near Madawaska, Me. (the Line).

This transaction is related to a concurrently filed verified notice of exemption in Docket No. FD 35588, Eastern Maine Railway Company—Acquisition and Operation Exemption—Montreal, Maine & Atlantic Railway, Ltd., wherein EMR seeks to acquire from MMA and to operate 28.75 miles of rail line.

MMA, the former owner of the Line, proposed to abandon it and several other lines in 2010.¹ The State purchased the Line and the other trackage to ensure rail service continued in northern Maine.² Pursuant to a lease and operating agreement between Maine Northern Railway Company (MNRC) and the State, MNRC was selected as the

¹ See Montreal, Me. & Atl. Ry.—Discon. of Service and Aban.—In Aroostook and Penobscot Cntys., Me., AB 1043 (Sub-No. 1) (STB served Dec. 27, 2010).

² See Montreal, Me. & Atl. Ry.—Modified Rail Certificate—In Aroostook and Penobscot Cntys., Me., FD 35463 (STB served Jan. 26, 2011).

new operator.³ In anticipation of MNRC service, MMA acquired trackage rights over the Line to continue to connect its line in northern Maine with its other lines it was retaining.⁴ Now, MMA wishes to assign those rights to EMR, a corporate affiliate of MNRC, as part of the larger transaction in Docket No. FD 35588 whereby MMA has agreed to sell its line in northern Maine to EMR. EMR states that, by assigning the trackage rights, a point of interchange between EMR and MNRC can be eliminated, thereby increasing the efficiency of rail operations within northern Maine.⁵

EMR states that the transaction will be consummated on the same date as consummation of the related acquisition and operation transaction in FD 35588, which is expected to be on March 19, 2012.

As a condition to this exemption, any employees affected by the trackage rights will be protected by the conditions imposed in Norfolk and Western Railway—Trackage Rights—Burlington Northern, Inc., 354 I.C.C. 605 (1978), as modified in Mendocino Coast Railway—Lease & Operate—California Western Railroad, 360 I.C.C. 653 (1980).

This notice is filed under 49 CFR 1180.2(d)(7). If the notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the effectiveness of the exemption. Stay petitions must be filed by March 9, 2012 (at least 7 days before the exemption becomes effective).

³ See Me. N. Ry.—Modified Rail Certificate—In Aroostook and Penobscot Cntys. Me., FD 35521 (STB served June 15, 2011).

⁴ Montreal, Me. & Atl. Ry.—Trackage Rights Exemption—Me. N. Ry., FD 35505 (STB served May 27, 2011).

⁵ Should EMR and MMA fail to consummate the line sale in Docket No. FD 35588, EMR states that it would withdraw this notice of exemption for the assignment of the MMA trackage rights.

An original and 10 copies of all pleadings, referring to Docket No. FD 35598, must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on Karyn A. Booth, Thompson Hine LLP, Suite 800, 1920 N Street, N.W., Washington, DC 20036.

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Decided: February 28, 2012.

By the Board, Rachel D. Campbell, Director, Office of Proceedings.

Jeffrey Herzig

Clearance Clerk

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